

Manufacturers' Shipments, Inventories, and Orders

March 1975



FOR RELEASE: April 30, 1975 2:00 P.M.

SERIES: M3-1(75)-3

SUMMARY

New orders for manufactured products in March decreased \$2,266 million or 3.0 percent to \$73,873 million after seasonal adjustment. Shipments decreased \$2,009 million or 2.5 percent to \$76,866 million in March. For the sixth consecutive month, shipments exceeded new orders. Unfilled orders decreased \$2,991 million or 2.4 percent to \$123,948 million at the end of March. For the first time since August 1971, manufacturers' inventories decreased, dropping \$685 million or 0.5 percent to \$151,308 million at the end of March. The inventories to shipments ratio increased from 1.93 to 1.97.

For the three months ending in March the average decrease in new orders was 1.1 percent compared with a 4.2 percent decrease for the three months ending in December and a 0.8 percent increase for the three months ending in September.

NEW ORDERS

New orders for durable goods decreased \$1,482 million or 4.0 percent to \$35,541 million in March. The decrease in new orders was chiefly attributable to the aerospace industries (\$794 million), fabricated metals industries (\$415 million), primary metals industries (\$401 million), and electrical machinery industries (\$346 million). These decreases were partially offset by increases in the motor vehicles and parts industries (\$350 million), and the shipbuilding and railroad equipment industries (\$291 million). Among the supplementary series, new orders in the capital goods industries decreased \$763 million with the nondefense sector decreasing \$324 million and the defense sector decreasing \$439 million.

SHIPMENTS

Shipments of durable goods industries decreased \$1,098 million or 2.8 percent to \$38,555 million in

March. This decrease was led by the primary metals industries (\$694 million). Shipments in the nondurable goods industries also decreased \$911 million or 2.3 percent to \$38,311 million.

UNFILLED ORDERS

Unfilled orders for durable goods industries decreased \$3,010 million or 2.4 percent to \$120,236 million at the end of March. The decrease in unfilled orders was mainly due to decreases in the primary metals industries (\$1,183 million), electrical machinery industries (\$481 million), and the nonelectrical machinery industries (\$455 million).

INVENTORIES

Inventories of durable goods decreased \$76 million and nondurable goods industries decreased \$615 million between the end of March and February. At the all manufacturing level, materials and supplies decreased \$503 million; work in process inventories decreased \$330 million and finished goods inventories increased \$148 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for March is scheduled for release on May 21, 1975 and the full report is scheduled for release on June 2, 1975.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.



U.S. DEPARTMENT OF COMMERCE | Social and Economic Statistics Administration | BUREAU OF THE CENSUS

Inquires concerning these figures should be addressed to the U.S. Department of Commerce, Bureau of the Census, Industry Division, Washington, D.C. 20233. For sale by the Subscriber Services Section (Publications), Social and Economic Statistics Administration, Washington, D.C. 20233 or any Department of Commerce District Office. Price: 15 cents per copy, \$1.50 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP
(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Mar. 1975P ²	Feb. 1975 ^r	Jan. 1975	Mar. 1975P ²	Feb. 1975 ^r	Mar. 1974	Mar. 1975P	Feb. 1975 ^r	Jan. 1975	Mar. 1975P	Feb. 1975 ^r	Mar. 1974
All manufacturing industries:												
Total.....	76,866	78,875	79,124	80,025	80,103	81,391	151,308	151,993	151,624	152,053	152,692	127,125
Total, excluding transportation.....	68,567	70,891	71,189	70,959	71,543	72,450	130,242	130,601	130,379	130,826	131,164	108,294
Durable goods industries, total.	38,555	39,653	40,137	40,712	40,467	42,829	100,012	100,082	99,124	100,625	100,403	83,515
Stone, clay, and glass products.	2,014	2,072	2,144	2,011	1,913	2,150	3,806	3,741	3,760	3,932	3,829	3,049
Primary metals, total.....	6,158	6,852	7,241	6,597	7,026	7,555	13,424	13,015	12,446	13,515	13,157	9,630
Blast furnaces, steel mills.	3,255	3,699	4,024	3,522	3,795	3,700	6,961	6,620	6,241	6,975	6,719	4,556
Nonferrous metals.....	1,813	2,004	2,063	1,922	2,056	2,847	4,666	4,588	4,403	4,727	4,625	3,718
All other primary metals....	1,090	1,149	1,154	1,153	1,175	1,008	1,797	1,807	1,802	1,813	1,813	1,356
Fabricated metal products total.....	4,639	4,902	5,062	4,732	4,830	4,921	12,128	12,045	11,825	12,116	11,915	9,376
Metal cans, barrels, and drums.....	497	562	629	481	513	549	1,249	1,203	1,108	1,239	1,180	918
Machinery, except electrical, total.....	7,254	7,415	7,385	7,860	7,758	7,551	22,430	22,168	21,907	22,625	22,381	17,842
Engines and turbines.....	566	540	498	662	527	662	1,959	1,946	1,888	1,961	1,983	1,549
Farm machinery and equipment.	719	794	834	861	859	811	2,160	2,072	1,997	2,257	2,155	1,593
Construction, mining, and material handling equipment.	1,605	1,590	1,547	1,730	1,729	1,410	4,818	4,687	4,520	4,876	4,734	3,542
Metalworking machinery.....	520	541	521	581	565	540	1,876	1,886	1,878	1,878	1,891	1,529
General industrial machinery	758	740	763	789	756	680	1,968	1,972	1,948	1,996	1,988	1,522
Electrical machinery, total...	5,066	5,197	5,114	5,211	5,241	5,777	15,197	14,758	14,801	15,200	14,581	13,114
Electrical transmission and distribution equipment and industrial apparatus.....	1,042	1,138	1,155	1,101	1,175	1,107	3,193	3,256	3,265	3,214	3,259	2,851
Household appliances.....	685	678	668	744	661	833	1,266	1,310	1,312	1,259	1,323	1,231
Radio and TV.....	380	377	338	357	360	528	1,125	1,218	1,300	1,061	1,126	1,119
Communication equipment.....	1,246	1,289	1,254	1,247	1,259	1,212	5,015	4,274	4,228	5,086	4,252	3,768
Transportation equipment, total	8,299	7,984	7,935	9,066	8,560	8,941	21,066	21,392	21,245	21,227	21,528	18,831
Motor vehicles and parts....	5,138	4,799	4,860	5,746	5,344	5,638	6,208	6,428	6,560	6,307	6,563	5,780
Aircraft, missiles, and parts.....	2,153	2,257	2,019	2,247	2,289	2,055	11,255	11,355	11,212	11,359	11,360	10,099
Shipbuilding and railroad equipment.....	589	508	602	612	540	427	2,800	2,788	2,627	2,719	2,741	2,119
Instruments and related products, total.....	1,356	1,328	1,351	1,356	1,290	1,316	4,138	4,223	4,292	4,153	4,187	3,639
Scientific and engineering..	699	713	713	711	721	678	2,099	2,110	2,144	2,102	2,095	1,876
All other instruments and related products.....	657	615	638	645	569	638	2,039	2,113	2,148	2,051	2,092	1,763
All other durable goods industries.....	3,769	3,903	3,905	3,879	3,849	4,618	8,670	8,740	8,848	8,715	8,825	8,034
Nondurable goods industries, total.....	38,311	39,222	38,987	39,313	39,636	38,562	51,296	51,911	52,500	51,785	52,289	43,610
Food and kindred products, total.....	13,361	13,656	13,690	13,601	13,629	12,939	11,689	11,930	12,145	11,532	12,071	10,894
Meat products.....	2,669	2,702	2,679	2,651	2,643	2,840	1,171	1,180	1,190	1,192	1,211	1,325
Fats and oils.....	1,216	1,315	1,339	1,216	1,391	1,122	863	941	1,068	911	1,005	841
Tobacco products.....	604	616	603	589	586	530	3,063	3,095	3,069	3,576	3,275	2,720
Textile mill products.....	2,378	2,309	2,241	2,529	2,287	2,932	4,402	4,543	4,694	4,502	4,567	4,840
Paper and allied products, total.....	3,003	3,230	3,215	3,126	3,293	3,217	4,900	4,877	4,871	4,885	4,855	3,472
Pulp, paper, etc.....	1,313	1,425	1,459	1,372	1,443	1,408	1,820	1,775	1,750	1,822	1,777	1,230
Paperboard containers.....	756	814	817	772	809	807	1,324	1,327	1,320	1,320	1,315	1,001
All other paper containers..	934	991	939	982	1,041	1,002	1,756	1,775	1,799	1,743	1,763	1,241
Chemicals and allied products, total.....	6,684	6,863	6,775	6,982	7,019	6,729	10,830	10,875	10,924	10,960	11,040	7,752
Industrial chemicals, except pigments.....	2,112	2,169	2,241	2,184	2,245	2,054	3,035	2,990	2,938	3,050	3,041	2,135
Drugs, soap, and toiletries.	1,967	1,875	1,765	2,013	1,948	1,630	3,755	3,804	3,760	3,762	3,808	2,565
Petroleum and coal products...	4,832	4,854	4,835	4,807	4,985	4,374	4,259	4,210	4,061	4,166	4,138	2,936
Rubber and plastics products, n.e.c.....	1,850	1,899	1,957	1,945	1,923	1,919	3,193	3,227	3,298	3,262	3,274	2,804
All other nondurable goods industries.....	5,599	5,795	5,671	5,734	5,914	5,922	8,960	9,154	9,438	8,902	9,069	8,192

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Mar. 1975 ^P	Feb. 1975 ^F	Jan. 1975	Mar. 1975 ^P	Feb. 1975 ^F	Mar. 1974	Mar. 1975 ^P	Feb. 1975 ^F	Jan. 1975	Mar. 1975 ^P	Feb. 1975 ^F	Mar. 1974
All manufacturing industries:												
Total.....	73,873	76,139	74,958	77,388	78,444	83,377	123,948	126,939	129,671	126,158	128,797	122,546
Total, excluding transportation.....	65,994	68,109	67,705	68,916	69,857	74,661	90,624	93,197	95,977	92,822	94,866	91,010
Durable goods industries, total.	35,541	37,023	36,062	38,008	38,811	44,736	120,236	123,246	125,873	122,385	125,089	117,429
Primary metals, total.....	4,977	5,378	5,071	5,614	6,438	7,809	12,377	13,560	15,033	14,165	15,148	15,774
Blast furnaces, steel mills.	2,362	2,721	2,228	2,799	3,523	3,650	6,588	7,481	8,459	8,090	8,813	9,847
Nonferrous metals.....	1,692	1,707	1,830	1,814	1,911	2,956	2,760	2,882	3,178	2,973	3,081	3,377
Fabricated metal products....	4,369	4,784	4,720	4,612	4,685	5,375	18,983	19,253	19,369	19,069	19,187	16,470
Machinery, except electrical, total.....	6,802	6,805	6,837	7,480	7,219	8,629	27,983	28,438	29,046	28,217	28,598	24,393
Engines and turbines.....	453	523	346	562	478	1,060	6,911	7,023	7,040	6,924	7,024	6,447
Construction, mining, and material handling equipment.	1,485	1,283	1,575	1,716	1,453	1,678	7,006	7,127	7,435	7,055	7,070	5,006
Metalworking machinery.....	439	450	491	485	464	628	2,283	2,364	2,455	2,251	2,347	2,240
General industrial machinery.	825	724	739	858	810	801	3,389	3,323	3,338	3,494	3,426	2,533
Electrical machinery, total...	4,585	4,931	4,919	4,733	4,875	5,914	19,632	20,113	20,378	19,559	20,038	21,042
Electrical transmission and distribution equipment and industrial apparatus.....	872	898	1,201	959	981	1,181	6,075	6,245	6,485	6,095	6,237	6,088
Household appliances.....	681	693	670	746	682	846	109	113	98	118	116	126
Radio and TV.....	306	369	289	290	362	510	361	435	443	343	410	551
Communication equipment.....	1,181	1,400	1,331	1,127	1,278	1,152	7,110	7,175	7,064	7,091	7,212	6,514
Transportation equipment, total.....	7,879	8,030	7,253	8,472	8,587	8,716	33,324	33,742	33,694	33,336	33,931	31,536
Aircraft, missiles, and parts.....	1,856	2,650	1,584	1,756	2,672	1,851	21,151	21,446	21,052	20,995	21,486	18,786
Shipbuilding and railroad equipment.....	570	279	751	641	296	368	8,537	8,556	8,785	8,628	8,600	7,943
All other durable goods industries.....	6,929	7,095	7,262	7,097	7,007	8,293	7,937	8,140	8,353	8,039	8,187	8,214
Nondurable goods industries, total.....	38,332	39,116	38,896	39,380	39,633	38,641	3,712	3,693	3,798	3,773	3,708	5,117
Industries with unfilled orders.....	8,425	8,641	8,537	8,717	8,793	9,252	3,712	3,693	3,798	3,773	3,708	5,117
Industries without unfilled orders.....	29,907	30,475	30,359	30,663	30,840	29,389	-	-	-	-	-	-

- Represents zero. ^P Preliminary. ^F Revised.¹Adjusted for trading-day and calendar-month variations.²The shipments reported by the motor vehicles and parts industry are net of cash rebates on some automobiles sold by dealers in prior months. The rebates are being handled in this way by the manufacturers even though they applied primarily to vehicles shipped prior to March.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1975 ^P	Feb. 1975 ^r	Jan. 1975	Mar. 1975 ^P	Feb. 1975 ^r	Mar. 1974	Mar. 1975 ^P	Feb. 1975 ^r	Jan. 1975	Mar. 1975 ^P	Feb. 1975 ^r	Mar. 1974
	Shipments						Total inventories					
All manufacturing industries, total..	76,866	78,875	79,124	80,025	80,103	81,391	151,308	151,993	151,624	152,053	152,692	127,125
Durable goods industries, total.....	38,555	39,653	40,137	40,712	40,467	42,829	100,012	100,082	99,124	100,625	100,403	83,515
Nondurable goods industries, total.....	38,311	39,222	38,987	39,313	39,636	38,562	51,296	51,911	52,500	51,428	52,289	43,610
Industry groups arranged by market categories:												
Home goods and apparel.....	6,596	6,546	6,481	6,925	6,649	7,778	13,551	14,085	14,558	13,494	14,005	13,636
Consumer staples.....	16,272	16,400	16,283	16,502	16,323	15,412	19,457	19,657	19,666	19,434	19,927	16,720
Equipment and defense products, except automotive.....	10,966	11,363	11,086	11,645	11,671	10,951	39,216	39,093	38,634	39,487	39,259	32,945
Automotive equipment.....	6,130	5,801	5,907	6,806	6,291	7,021	7,920	8,178	8,338	8,101	8,391	7,550
Construction materials, supplies, and intermediate products.....	5,538	5,769	5,898	5,501	5,393	6,292	13,075	12,990	13,019	13,309	13,096	10,857
Other materials and supplies and intermediate products.....	31,364	32,996	33,469	32,646	33,776	33,937	58,089	57,990	57,409	58,228	58,014	45,417
Supplementary series: ²												
Household durable goods industries.....	2,933	2,898	2,914	3,063	2,895	3,461	7,060	7,318	7,473	7,011	7,269	6,631
Capital goods industries.....	12,430	12,729	12,434	13,092	13,085	12,638	43,690	43,816	43,282	43,872	43,847	36,915
Nondefense.....	10,733	10,976	10,790	11,405	11,392	11,034	36,856	37,102	36,779	37,031	37,153	30,948
Defense.....	1,697	1,753	1,644	1,687	1,693	1,604	6,834	6,714	6,503	6,841	6,694	5,967
	New orders						Unfilled orders					
All manufacturing industries, total..	73,873	76,139	74,958	77,388	78,444	83,377	123,948	126,939	129,671	126,158	128,797	122,546
Durable goods industries, total.....	35,541	37,023	36,062	38,008	38,811	44,736	120,236	123,246	125,873	122,385	125,089	117,429
Nondurable goods industries, total.....	38,332	39,116	38,896	39,380	39,633	38,641	3,712	3,693	3,798	3,773	3,708	5,117
Industry groups arranged by market categories:												
Home goods and apparel.....	6,498	6,501	6,345	6,836	6,644	7,824	2,034	2,143	2,197	2,000	2,107	2,842
Consumer staples.....	16,259	16,389	16,301	16,482	16,319	15,402						
Equipment and defense products, except automotive.....	10,250	10,504	10,650	10,872	10,785	11,650	63,357	64,176	65,153	63,618	64,527	58,681
Automotive equipment.....	6,026	5,683	5,511	6,674	6,179	7,059						
Construction materials, supplies, and intermediate products.....	5,310	5,561	5,795	5,501	5,201	6,743	17,234	17,461	17,670	17,299	17,298	15,235
Other materials and supplies and intermediate products.....	29,530	31,501	30,356	31,023	33,316	34,699	41,323	43,159	44,651	43,241	44,865	45,788
Supplementary series: ²												
Household durable goods industries.....	2,836	2,842	2,781	2,963	2,884	3,477	1,486	1,580	1,636	1,455	1,552	2,192
Capital goods industries.....	11,354	12,117	11,712	11,930	12,489	13,403	72,524	73,598	74,208	72,717	73,881	65,648
Nondefense.....	9,646	9,970	10,077	10,355	10,511	12,147	47,513	48,600	49,605	47,698	48,751	43,956
Defense.....	1,708	2,147	1,635	1,575	1,978	1,256	25,011	24,998	24,603	25,019	25,130	21,692

During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. ^PPreliminary. ^rRevised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175. Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1969-74	
	Feb.- Mar. 1975	Jan.- Feb. 1975	Dec. 1974- Jan. 1975	3 months			12 months Mar. 1974- Mar. 1975	Average rise	Average decline
				Dec. 1974- Mar. 1975	Sept.- Dec. 1974	June- Sept. 1974			
Shipments:									
All manufacturing industries.....	-2.5	-0.3	-0.5	-1.1	-2.5	+1.9	-0.1	+1.5	-1.4
Durable goods industries, total.....	-2.8	-1.2	-1.0	-1.7	-3.3	+1.7	-0.4	+1.9	-2.0
Nondurable goods industries, total.....	-2.3	+0.6	+0.1	-0.5	-1.6	+2.2	+0.2	+1.3	-1.0
Total inventories:									
All manufacturing industries.....	-0.5	+0.2	+0.8	+0.2	+1.7	+2.3	+1.5	+0.8	-0.1
New orders:									
All manufacturing industries.....	-3.0	+1.6	-2.0	-1.1	-4.2	+0.8	-0.6	+1.9	-1.8
Durable goods industries, total.....	-4.0	+2.7	-4.7	-2.0	-6.5	-0.2	-1.2	+2.5	-2.7
Nondurable goods industries, total.....	-2.0	+0.6	+0.7	-0.2	-1.7	+2.1	+0.2	+1.3	-1.1
Unfilled orders:									
Durable goods industries, total.....	-2.4	-2.1	-3.1	-2.5	-1.4	+2.5	+0.4	+1.7	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1975 ^P	Feb. 1975 ^T	Jan. 1975	Mar. 1975 ^P	Feb. 1975 ^T	Mar. 1974	Mar. 1975 ^P	Feb. 1975 ^T	Jan. 1975	Mar. 1975 ^P	Feb. 1975 ^T	Mar. 1974
	Total						Materials and supplies					
All manufacturing industries, total..	151,308	151,993	151,624	152,053	152,692	127,125	54,494	54,997	54,818	54,259	54,914	43,283
Durable goods industries, total.....	100,012	100,082	99,124	100,625	100,403	83,515	34,313	34,561	34,103	33,890	34,229	26,017
Stone, clay, and glass products.....	3,806	3,741	3,760	3,932	3,829	3,049	1,465	1,473	1,499	1,474	1,477	1,115
Primary metals.....	13,424	13,015	12,446	13,515	13,157	9,630	6,215	6,193	5,862	6,030	6,126	3,789
Machinery (electrical and nonelectrical).	36,780	36,926	36,708	36,967	36,962	30,956	11,528	11,561	11,505	11,514	11,527	8,986
Transportation equipment.....	21,066	21,392	21,245	21,227	21,528	18,831	4,761	4,918	4,838	4,793	4,907	3,966
All other durable goods industries.....	24,936	25,008	24,965	24,984	24,927	21,049	10,344	10,416	10,399	10,079	10,192	8,161
Nondurable goods industries, total.....	51,296	51,911	52,500	51,428	52,289	43,610	20,181	20,436	20,715	20,369	20,685	17,266
Chemicals and allied products.....	10,830	10,875	10,924	10,960	11,040	7,752	4,423	4,523	4,541	4,460	4,531	3,139
Petroleum and coal products.....	4,259	4,210	4,061	4,166	4,138	2,936	1,083	1,108	989	1,063	1,105	667
Rubber and plastics products, n.e.c.....	3,193	3,227	3,298	3,262	3,274	2,804	1,150	1,157	1,226	1,134	1,142	1,043
All other nondurable goods industries.....	33,014	33,599	34,217	33,040	33,837	30,118	13,525	13,648	13,959	13,712	13,904	12,417
	Work in process						Finished goods					
All manufacturing industries, total..	48,966	49,296	49,204	49,390	49,529	44,343	47,848	47,700	47,602	48,404	48,249	39,499
Durable goods industries, total.....	41,525	41,632	41,454	41,938	41,867	37,616	24,174	23,889	23,567	24,797	24,307	19,882
Stone, clay, and glass products.....	493	498	493	535	511	429	1,848	1,770	1,768	1,923	1,841	1,505
Primary metals.....	4,087	3,794	3,669	4,197	3,890	3,512	3,122	3,028	2,915	3,288	3,141	2,329
Machinery (electrical and nonelectrical).	15,495	15,761	15,817	15,571	15,807	14,199	9,757	9,604	9,386	9,882	9,628	7,771
Transportation equipment.....	14,426	14,594	14,549	14,538	14,661	13,190	1,879	1,880	1,858	1,896	1,960	1,675
All other durable goods industries.....	7,024	6,985	6,926	7,097	6,998	6,286	7,568	7,607	7,640	7,808	7,737	6,602
Nondurable goods industries, total.....	7,441	7,664	7,750	7,452	7,662	6,727	23,674	23,811	24,035	23,607	23,942	19,617
Chemicals and allied products.....	1,701	1,677	1,680	1,717	1,697	1,248	4,706	4,675	4,703	4,783	4,809	3,365
Petroleum and coal products.....	1,069	1,075	1,042	1,065	1,051	776	2,107	2,027	2,030	2,038	1,982	1,493
Rubber and plastics products, n.e.c.....	520	543	554	523	544	428	1,523	1,527	1,518	1,605	1,588	1,333
All other nondurable goods industries.....	4,151	4,369	4,474	4,147	4,370	4,275	15,338	15,582	15,784	15,181	15,563	13,426

^PPreliminary.^TRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Mar. 1975 ^p	Feb. 1975 ^r	Jan. 1975	Mar. 1974	Mar. 1975 ^p	Feb. 1975 ^r	Jan. 1975	Mar. 1974
All manufacturing industries, total.....	1.97	1.93	1.92	1.62	2.89	2.85	2.91	2.64
Durable goods industries, total.....	2.59	2.52	2.47	2.04	3.49	3.44	3.50	3.15
Stone, clay, and glass products.....	1.89	1.81	1.75	1.37	(NA)	(NA)	(NA)	(NA)
Primary metals.....	2.18	1.90	1.72	1.35	2.01	1.98	2.08	1.93
Fabricated metals.....	2.61	2.46	2.34	1.94	4.58	4.44	4.37	3.84
Machinery, except electrical.....	3.09	2.99	2.97	2.54	3.86	3.84	3.93	3.47
Electrical machinery.....	3.00	2.84	2.89	2.33	3.88	3.87	3.98	3.76
Transportation equipment.....	2.54	2.68	2.68	2.28	6.73	6.84	7.17	6.43
Instruments and related products.....	3.05	3.18	3.18	2.76	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.35	1.32	1.35	1.16	0.44	0.42	0.44	0.57
Food and kindred products.....	0.87	0.87	0.89	0.87	(X)	(X)	(X)	(X)
Tobacco products.....	5.63	5.02	5.09	4.76	(X)	(X)	(X)	(X)
Textile mill products.....	1.85	1.97	2.09	1.72	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.63	1.51	1.52	1.13	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.62	1.58	1.61	1.19	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.88	0.87	0.84	0.68	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.73	1.70	1.69	1.50	(X)	(X)	(X)	(X)

(NA) Not available. ^pPreliminary. ^rRevised. (X) Not applicable.¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the Annual Survey of Manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments—Shipments in the monthly survey are equivalent to value of shipments as reported

in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories—End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if



feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders—Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They

also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.